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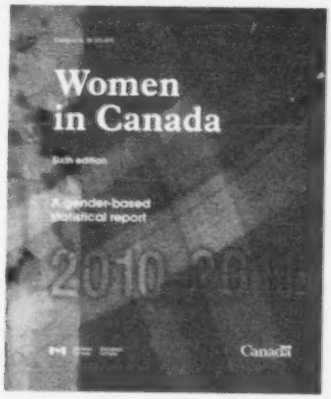
Article

Economic Well-being



by Cara Williams

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Women in Canada: A Gender-based Statistical Report

Economic Well-being

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..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the *Statistics Act*
E	use with caution
F	too unreliable to be published

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Economic Well-being

by Cara Williams

The many determinants of economic well-being

Women's economic well-being has many contributing factors, principally current income. However, income alone may not provide a full picture of women's current and future economic well-being.

Other determinants of families' and individuals' economic well-being, such as assets, debts and net worth, must be considered, since they not only provide information about future well-being, they also may provide insight about the financial stability of the household.

Retirement savings are an important indicator of future well-being. Understanding the types of pension plans and measuring contributions allows for a more complete picture of financial preparedness.

Home ownership and shelter affordability are also factors of economic well-being. Home ownership has been traditionally related to economic well-being as it may be related to housing stability; a house can also be liquidated if necessary. Households, or individuals, who spend a large proportion of their income on shelter may face housing insecurity.

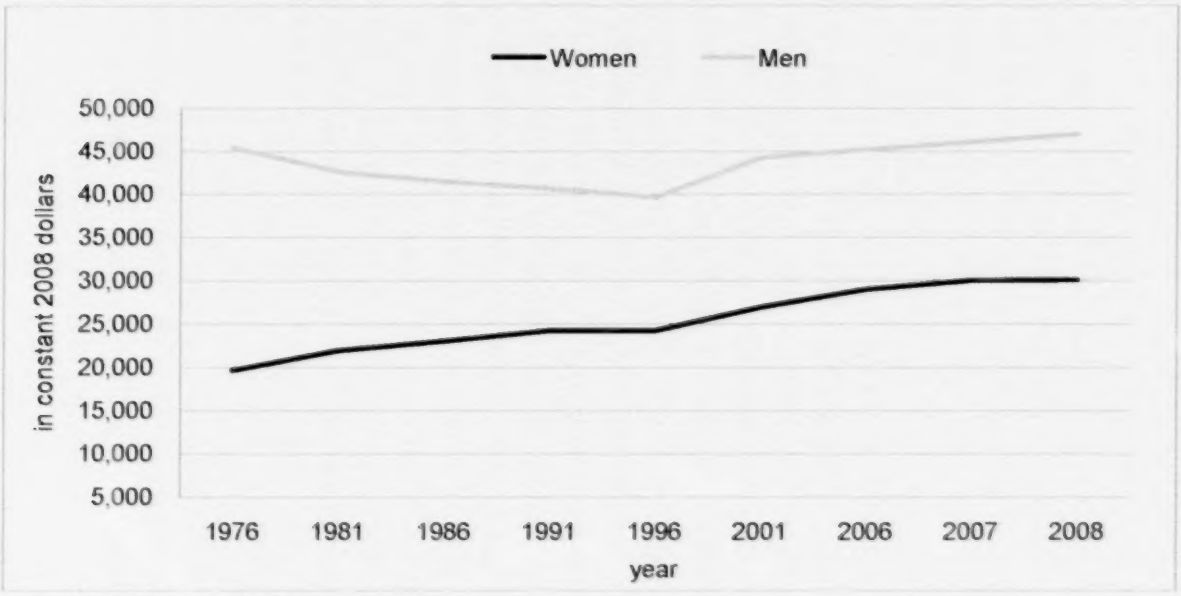
Finally, readers should be aware that when income, assets, debts and net worth data are analysed by family type, no assumptions can be made about the distribution of benefits within the household.[1]

1. Although it is not possible to determine how income is divided within the household, the 2009 Canadian Survey of Financial Capability provides some information about the household financial management. In 2009, more than 75% of women in couple families stated that they were either solely responsible for the management of household income and investment decisions, or that they shared these responsibilities with their spouse and about 15% stated that their spouse was responsible for the household financial management.

Income

Canadian women earned an average total income[2] of $30,100 in 2008, up 13% from $26,300 in 2000.[3] That 13% growth surpassed the 7% growth for men over this period, but men continued to have higher average incomes. In 2008, the average total income for men was $47,000.

Chart 1
Average total income of women and men, 1976 to 2008



Source: Statistics Canada, CANSIM table 202-0407.

2. Total income includes income from all sources including wages, salaries, pensions, investments and government transfers.
3. All income figures are presented in 2008 constant dollars.

Income by province

Women in Alberta and Ontario had the highest average total income at $34,000 and $31,600, respectively (Table 1). In 2008, the lowest average total incomes were earned by women in Newfoundland and Labrador, $24,000, and in New Brunswick, $24,600.

Table 1
Average total income of women and men, by province, 2008

Province	Women	Men
	dollars	
Canada	**30,100**	**47,000**
Newfoundland and Labrador	24,000	41,900
Prince Edward Island	27,900	36,000
Nova Scotia	25,200	41,000
New Brunswick	24,600	37,900
Quebec	28,500	39,600
Ontario	31,600	48,600
Manitoba	27,900	45,400
Saskatchewan	29,800	47,900
Alberta	34,000	61,700
British Columbia	29,100	47,600

Source: Statistics Canada, CANSIM table 202-0407.

Women's average total income was lower than men's in every province, but in two provinces the gap was more pronounced. In Alberta, women's total incomes were 55% of men's in 2008 ($34,000 for women and $61,700 for men); in Newfoundland and Labrador, women's incomes were 57% of men's. The gap was smallest in Prince Edward Island and Quebec. In Prince Edward Island, women's incomes were 78% of men's; in Quebec they were 72% of men's.

Income by age group

Women's and men's average incomes vary by age, but each follows the same general pattern. Incomes are lowest for the youngest age group, increase up to age 54, and then decline in the older age groups. Indeed, both women's and men's incomes were highest between the ages of 45 and 54. Average total income for women in this age group was $40,900 in 2008. Women aged 35 to 44 had the next highest average total income at $36,300 (Table 2). Women aged 16 to 19 had the lowest average total income, $7,100.

Table 2
Average total income of women and men, by age group, 2008

Age group	Women	Men
	dollars	
Total age 16 and over	**30,100**	**47,000**
16 to 19	7,100	7,800
20 to 24	15,100	21,100
25 to 34	32,500	43,200
35 to 44	36,300	59,900
45 to 54	40,900	63,700
55 to 64	29,400	53,400
65 and over	24,800	38,100

Source: Statistics Canada, CANSIM table 202-0407.

In every age group women's average total income was lower than men's, but the gap was smallest in the youngest age range: women between 16 and 19 had incomes of about 90% of men in the same age group. The gap was largest for those aged 55 to 64: women's average total income was 55% of men's—$29,400 compared with $53,400. For the other age groups, the ratio of women's incomes to men's ranged from 75% for those aged 20 to 24 and those age 65 years and older to 61% for those aged 35 to 44.

Income by family type

The income situation for women and men varies depending on their family status. Lone-parent families have the lowest average total incomes. In 2008, female lone-parent families had the lowest average total income of all family types, $42,300, or 70% of the $60,400 earned by male lone-parent families (Table 3). While lone-parent families had the lowest incomes of all family types, their incomes have been rising, and the gap between female and male lone-parent families has been narrowing. For example, from 1998 to 2008, real average total incomes of female lone-parent families grew 51%; those of lone-parent families headed by men grew 13%. In other words, female lone-parent families had incomes worth 53% of those of male lone-parent families in 1998; by 2008 this figure was 70%.

Table 3
Average total income by family type, select years, 1976 to 2008

Year	Non-elderly families[1]						Elderly families[3]
	Married couples	Two-parent families with children	Married couples with other relatives[2]	Female lone-parent	Male lone-parent	Other non-elderly families	
	constant 2008 dollars						
1976	67,400	77,400	100,400	28,000	53,300	52,800	42,300
1981	69,700	75,700	100,800	30,600	57,100	58,600	45,400
1986	68,800	77,600	100,700	29,200	49,800	56,600	49,300
1991	70,500	78,800	97,900	29,700	51,200	57,100	52,200
1996	70,400	78,500	98,700	29,200	46,000	50,300	50,700
1998	75,900	84,800	99,500	30,900	48,800	46,600	49,900
2001	80,700	91,400	106,700	35,300	51,300	52,000	52,500
2006	83,300	95,200	116,700	39,800	65,000	55,200	56,100
2007	85,500	99,300	119,400	40,800	60,300	59,400	59,700
2008	86,000	100,200	127,800	42,300	60,400	59,000	59,400

1. Includes families with major income earner less than 65 years of age.
2. Includes families with children aged 18 and older and/or other relatives.
3. Includes families with major income earner 65 years of age or older.

Source: Statistics Canada, CANSIM table 202-0410.

The groups with highest average total incomes in 2008 were two-parent families with children, at $100,200, and married couples living with other relatives or children aged 18 and older, at $127,800. Married couples with children have seen their real average total income rise each year since 1993, except 2005. Married couples with older children or other relatives living in the household have seen their incomes rise each year since 2003.

Elderly families—those in which the major income earner was 65 years of age or older—also saw growing average total income. In the 10 years from 1998 to 2008, elderly families saw their real total incomes grow from $49,900 to $59,400, an increase of about 16%.

Income of unattached individuals

Unattached individuals can be divided into those younger than 65 years of age, and those 65 and older. In both groups, the average total income of unattached individuals is lower than that of families, and women's average total incomes are lower than men's.

For example, in 2008, unattached women between 16 and 64 had average total incomes equivalent to almost 80% of their male counterparts—$35,000 compared with $42,100 (Table 4). Unattached women 65 and older had an average income about $4,000 lower than women younger than 65, and their incomes were also lower that their male counterparts—$29,500 compared with $37,500.

Table 4
Average total income of unattached individuals, by sex, select years, 1976 to 2008

Year	Unattached individuals 16 to 64		Unattached individuals 65 and older	
	Women	Men	Women	Men
	constant 2008 dollars			
1976	27,500	36,500	15,900	24,400
1981	29,600	39,800	20,800	25,600
1986	29,600	36,400	21,900	24,100
1991	28,400	34,000	23,800	27,100
1996	27,400	32,900	24,300	31,500
1998	27,300	33,700	25,500	32,500
2001	30,200	37,500	27,200	31,800
2006	32,400	41,100	29,800	33,900
2007	34,000	41,100	29,400	36,900
2008	33,500	42,100	29,500	37,500

Source: Statistics Canada, CANSIM table 202-0403.

Like families, unattached individuals experienced real income growth from 1998 to 2008. Unattached women under 65 saw real income growth of about 23%, compared with about 25% among unattached men in the same age group. For unattached women and men aged 65 and older, total real income grew about 15%.

Sources of income

Wages, salaries and net income from self-employment make up the lion's share of income for most Canadian families and individuals younger than 65. In 2008, about 70% of women's income came from employment; about 17% came from government—including 3.3% from Old Age Security, 4.0% from Canada/Quebec Pension Plan benefits[4], and 3.0% from child tax benefits—4.3% came from investment income; and 6.3% came from private retirement income (Table 5).

Table 5
Composition of income for women and men with income, 2008

Income source	Women		Men	
	dollars	percentage	dollars	percentage
Wages and salaries	19,600	65.1	33,800	71.9
Net income from self-employment	1,400	4.7	3,500	7.4
Total employment income	**21,000**	**69.8**	**37,300**	**79.4**
Investment income	1,300	4.3	1,800	3.8
Retirement income	1,900	6.3	3,300	7.0
Other income	900	3.0	900	1.9
Income from government transfers				
Old Age Security	1,000	3.3	800	1.7
Guaranteed Income Supplement/Spouse's Allowance	400	1.3	200	0.4
Canada/Quebec Pension Plan Benefits	1,200	4.0	1,400	3.0
Social assistance	500	1.7	200	0.4
Employment Insurance Benefits	600	2.0	500	1.1
Child tax benefits	900	3.0	100	0.2
Workers Compensation Benefits	200	0.7	300	0.6
GST/HST credit	100	0.3	100	0.2
Provincial/territorial tax credits	100	0.3	100	0.2
Total government transfers	**5,000**	**16.6**	**3,700**	**7.9**
Total	**30,100**	**100.0**	**47,000**	**100.0**

Note: Totals may not add to 100% due to rounding.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

The composition of women's earnings differed from men's. For example, 70% of women's total income came from employment, compared with 79% of men's. In dollar terms, women received about $21,000 in employment income; men received just over $37,000. Additionally, women received about 17% of their income from government; men received about 8% of their income from government. In dollar terms, in 2008, women received about $1,300 more in transfer payments—an average of about $5,000 per year; men received about $3,700.

4. More information on the composition of income for senior women can be found in the forthcoming chapter on senior women.

Composition of income by family type

Wages and salaries are the largest source of income for non-elderly families. For example, among couples with children, wages and salaries made up about 81% of total income in 2008. Among couples without children in the household, wages and salaries made up 76% of income. Among these family types, government transfers accounted for between 5% and 6% of income (Table 6). Investment income accounted for less than 3% of total income for couples with children younger than 18 in the household.

Table 6
Composition of family income, by family structure, 2008

Income source	Non-elderly families[1]						Elderly families[3]
				Lone parent with at least one child			
	Married couples	Two-parent families with children	Married couples with other relatives[2]	Female lone-parent	Male lone-parent	Other non-elderly families	
	percentage						
Wages and salaries	76.1	80.9	82.9	63.5	79.9	80.1	9.7
Net income from self-employment	6.8	7.7	6.8 E	2.6 E	F	5.9 E	3.6
Investment income	4.0	3.0	2.9	1.0 E	F	F	11.0
Retirement income	6.2	0.4 E	2.5	F	F	F	32.6
Total government transfers	5.1	6.4	3.0	22.9 E	8.6	7.5 E	39.0
Other income	1.9	1.6	1.9	9.6	F	3.8 E	4.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total income ($)	**86,000**	**100,200**	**127,800**	**42,300**	**60,400**	**59,000**	**59,400**

1. Includes families with major income earner less than age 65.
2. Includes families with children aged 18 and over and/or other relatives.
3. Includes families with the major income earner is aged 65 and over.

Note: Percentages may not add to 100% due to rounding.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

Wages and salaries also made up the largest share of income for lone-parent families: however, there were differences between lone-parent mother and lone-parent father families. In 2008, wages and salaries made up 64% of total income for lone-parent mother families, and about 80% for lone-parent father families. Additionally, lone-parent mothers' share of income from government transfers, 23%, was higher than that of lone-parent fathers, 9%. In 2008, lone-parent mothers received approximately $9,600 from transfer payments; lone-parent fathers received about $5,300.

Earnings

Earnings are the monies received from paid work in the labour market. Women continue to have lower average annual earnings than men. In 2008, women earned $30,200 annually—or about 65% of the approximately $46,900 that men earned (Table 7). One reason for this is that women are less likely to work full-time than are men.

Table 7
Average annual earnings of women and men, in 2008 constant dollars, by employment status, 1976 to 2008

Year	All earners			Full-time, full-year			Other workers		
	Women	Men	Earnings ratio	Women	Men	Earnings ratio	Women	Men	Earnings ratio
	dollars		percentage	dollars		percentage	dollars		percentage
1976	21,100	45,100	46.8	34,100	57,300	59.4	12,200	23,400	52.2
1981	22,200	41,700	53.2	33,700	53,000	63.5	12,400	20,300	61.1
1986	23,300	40,700	57.2	34,400	52,500	65.6	13,000	17,800	72.8
1991	24,000	40,000	60.1	36,700	53,400	68.7	11,900	17,200	69.1
1996	25,400	40,000	63.6	38,600	53,000	72.8	13,000	16,800	77.1
1998	26,500	42,300	62.8	40,500	56,300	71.9	13,600	18,700	72.7
2001	27,600	44,400	62.1	40,600	58,100	69.9	15,200	19,400	78.4
2006	29,000	44,800	64.7	43,200	60,000	71.9	14,900	19,200	77.4
2007	29,900	45,500	65.7	44,100	61,700	71.4	15,400	19,300	79.7
2008	30,200	46,900	64.5	44,700	62,600	71.3	15,200	20,000	75.7

Source: Statistics Canada, CANSIM table 202-0102.

Among those working full-time, full-year, the ratio of women's earning to men's increased (or the earnings gap decreased) compared with all workers. However, when women and men working full-time, full-year are compared, women's earnings remain at about 71% of men's, a ratio that has fluctuated between 70% and 72% since 1999.

Part of the difference in women's and men's earnings is still related to hours worked: even among full-time workers, women work fewer hours than their male counterparts. For this reason, some research has proposed examining average hourly income as a more accurate measure for comparing women and men **(see text box: The gender pay gap revisited).**

Earnings and age

The earnings of women increase in the prime income-earning years—up to age 54—then they decline. In 2008, average annual earnings for women aged 16 to 24 who were working full-time, full-year were $23,100. Earnings were highest, $52,800, for women aged 45 to 54 (Table 8). Women working full-year, full-time aged 55 and older had average annual earnings of $42,500.

Table 8
Average annual earnings of women and men employed full-year, full-time, by age group and marital status, 2008

Age group	Single	Married [1]	Other [2]	Total
		dollars		
16 to 24				
Women	23,800	21,400	x	23,100
Men	31,100	35,200	x	31,700
		percentage		
Earnings ratio	76.7	60.9	..	72.7
		dollars		
25 to 34				
Women	39,400	40,000	35,000	39,600
Men	46,900	54,500	51,400	51,400
		percentage		
Earnings ratio	84.1	73.5	68.0	77.0
		dollars		
35 to 44				
Women	47,300	45,300	41,000	45,100
Men	60,000	72,100	60,200	69,100
		percentage		
Earnings ratio	79.0	62.9	68.0	65.4
		dollars		
45 to 54				
Women	54,300	52,300	53,800	52,800
Men	50,300	74,200	56,300	69,500
		percentage		
Earnings ratio	107.8	70.5	95.6	75.9
		dollars		
55 and over				
Women	43,700	42,000	43,600	42,500
Men	47,600	68,800	54,500	65,900
		percentage		
Earnings ratio	91.9	61.1	80.1	64.5
		dollars		
Total aged 16 and over				
Women	40,500	45,500	46,500	44,700
Men	46,900	68,500	56,500	62,600
		percentage		
Earnings ratio	86.4	66.5	82.4	71.3

1. Includes common-law relationships.
2. Includes separated/divorced and widowed.

Note: Average annual earnings exclude Canadians with no earnings.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

The ratio of women's earnings to men's was highest for those in the 25-to-34 and 45-to-54 age groups. For example, women aged 25 to 34 working full-year, full-time earned about 77% of what men in that age group earned. Women aged 45 to 54 earned about 76% of what men in the same age group earned.

Earnings and marital status

The variation between the earnings of married and single women is generally slight. For example, single never-married women aged 45 to 54 posted average earnings in 2008 of $54,300 (Table 8): married women averaged $52,300 (**see also text box: Earnings of women with and without children**). However, the same cannot be said for men: the difference between single and married men was greater. For example, single, never-married men aged 45 to 54 who worked full-year, full-time had average annual earnings in 2008 of $50,300; their married counterparts averaged $74,200. Interestingly, when comparing earnings between women and men, earnings are closest for the single never-married men and women.

Earnings and education

Average annual earnings for both women and men rise with their level of education. However, for women, the education premium was greater than for men. For example, women working full-year, full-time with less than a Grade 9 education earned an average $20,800, less than 35% of what women with a university degree earned ($62,800). In comparison, men with less than Grade 9 education earned $40,400, about 44% of the $91,800 earned by men with a university degree (Table 9).

Table 9
Average annual earnings of women and men employed full-year, full-time, by educational attainment, 2008

Level of education	Women	Men	Earnings ratio
	dollars		percentage
Less than grade 9	20,800	40,400	51.5
Some secondary school	28,600	43,600	65.6
Graduated high school	35,400	50,300	70.4
Some postsecondary	36,400	50,100	72.6
Postsecondary certificate or diploma	41,100	57,700	71.2
University degree	62,800	91,800	68.3
Total	**44,700**	**62,600**	**71.3**

Note: Average annual earnings exclude Canadians with no earnings.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

Men working full-year, full-time earned more than women with the equivalent level of education. At the lowest level of education—less than Grade 9—women's earnings were about 51% of those of men with the same level of education. While the gap narrowed for those with higher levels of education, women working full-year, full-time with a university degree earned about 30% less than equally educated men.

Earnings and occupation

Both women and men working in professional and management occupations earn more than those in other occupations.[5] For example, in 2008 earnings for women working full-time were highest for those in medicine and professional health occupations, $73,200. Women in natural sciences earned $64,600; women in management occupations averaged $62,900. By comparison, women working full-time in occupations unique to the primary industries earned an average of $23,400, those in sales and service occupations earned averaged $28,400, and those in clerical occupations averaged $40,000 (Table 10).

Table 10
Average annual earnings of women and men, by occupation, 2008

Type of occupation	Full-year, full-time workers			All workers		
	Women	Men	Earnings ratio	Women	Men	Earnings ratio
	dollars		percentage	dollars		percentage
Management	62,900	86,300	72.9	55,600	83,800	66.4
Administrative	43,900	61,400	71.5	36,800	56,800	64.8
Professionals						
Business and finance	62,600	106,700 E	58.6	54,500	95,700	57.0
Natural sciences	64,600	77,400	83.5	55,500	67,300	82.4
Social sciences/government/religion	43,100	86,600	49.8	34,300	73,400	46.7
Teaching	60,200	72,600	83.0	48,200	55,700	86.6
Medicine/health[1]	73,200	128,900	56.8	60,600	118,300	51.2
Artistic/recreational	42,400	49,700	85.4	29,800	35,300	84.3
Clerical	40,000	49,100	81.5	31,200	40,100	77.8
Sales/service	28,400	49,500	57.3	17,800	32,900	54.1
Trades/transportation	36,800	49,800	73.9	25,800	42,300	61.0
Occupations unique to primary industry	23,400	47,800	49.0	17,400	38,300	45.5
Manufacturing	28,100	50,500	55.7	23,700	43,200	54.8
Total	**44,700**	**62,600**	**71.3**	**30,700**	**47,400**	**64.6**

1. Includes nurses and nurse supervisors.
Note: Average annual earnings exclude Canadians with no earnings.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

As with education, so it is with occupation: women working full time earn less than men in the same category. The gap in earnings was greatest between women and men working in primary occupations and in the social sciences/government and religion-related occupations. In these occupations, women earned about one-half what men did. Earnings for women working full time were closest to those of men's for those working in the arts, culture and recreation-related occupations, as well as in teaching and natural science-related occupations. In these occupations, women earned 83% to 85% as much as men in the same occupation group.

The difference in women's and men's earnings is found in both the professional and non-professional occupational groupings. For example, women in medicine and health-related occupations earned about 57% as much as men in those occupations; women in business and finance occupations earned about 59% as much as their male counterparts. In the non-professional occupations such as sales and service, women earned about 57% of men working in these occupations.

5. For information on the share of women in select occupations, see the Paid Work chapter of *Women in Canada*.

Earnings of women with and without children

Raising children entails not only child care responsibilities, but also monetary costs. One cost is the 'family gap,' also called the 'child penalty' or 'motherhood earnings gap.' It measures how far the earnings of women with children fall below those of women without children, other factors being equal.

Age–earnings profiles of Canadian mothers and women without children show that women without children earned more than women with children. For example, at age 30, average hourly earnings of women with children were $15.20, compared with $18.10 for women without children (measured in 2004 dollars). On average, the earnings of women with children were 12% lower than those of women without children. And the earnings gap increased with the number of children: with one child, the gap was 9%; with two children, it was 12%; and with three or more children, 20%.

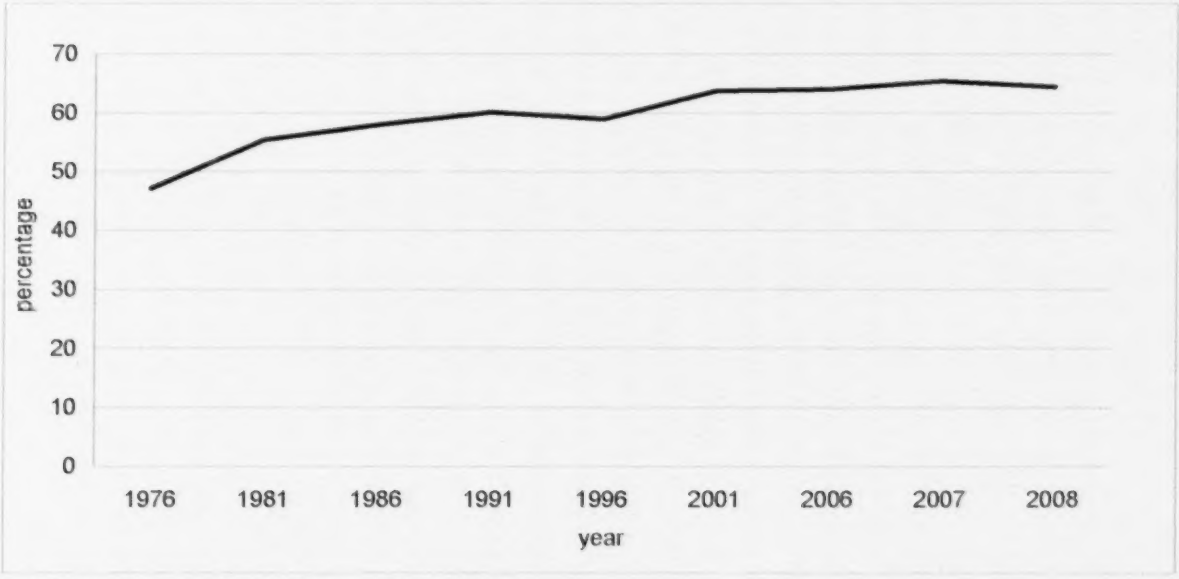
The earnings disadvantage of mothers differed based on several characteristics. For example, lone mothers, mothers with long career interruptions, and mothers with more than a high school education incurred greater losses than married or common-law mothers, mothers with no or short career interruptions, and mothers with no more than a high school education.

From Zhang, Xuelin. 2009. "Earnings of women with and without children," *Perspectives on Labour and Income*. Vol. 10, no. 3. March. Statistics Canada Catalogue no. 75-001-XIE.

Earnings in dual–income families

The incidence of dual–income families has increased over time. In 1976, only 47% of husband–wife families were dual–income; by 2008, 64% of husband–wife families were dual–earner. Much of this increase took place prior to 1990, when 61% of husband–wife families were dual–earners (Chart 2).

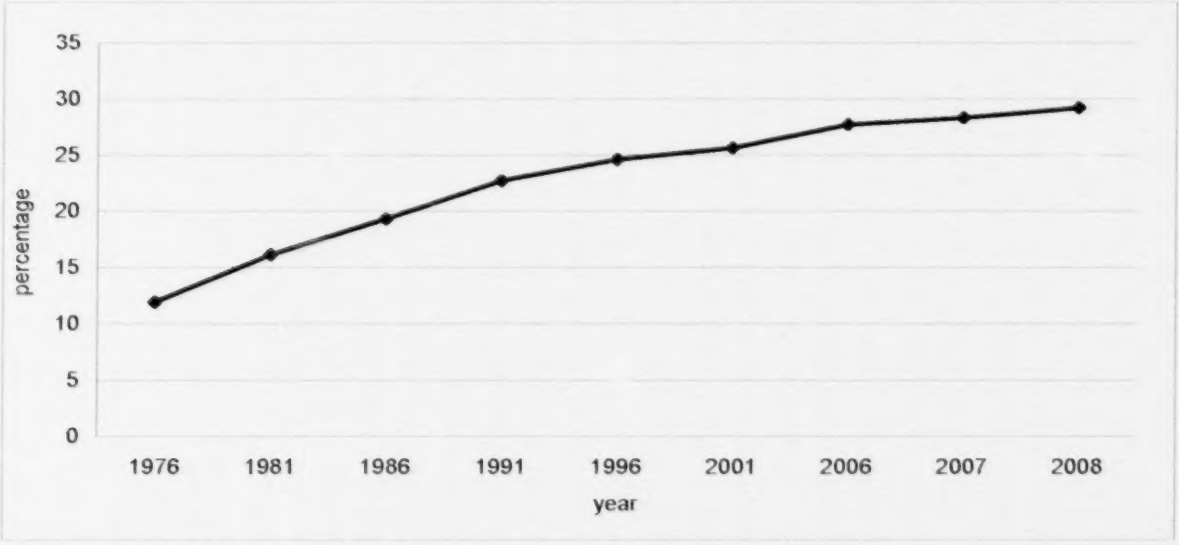
Chart 2
Dual–earner families as a percentage of all husband–wife families, select years, 1976 to 2008



Note: Husband–wife families include common-law unions.
Source: Statistics Canada, Survey of Labour and Income Dynamics.

As women's education and incomes have increased, the incidence of dual-earner families in which the wife earned more than the husband has also grown. In 1976 about 12% of wives in dual-earner families earned more than their husbands; by 2008, this share had increased to 29% (Chart 3).

Chart 3
Percentage of dual-earner families in which wives earned more than husbands, select years, 1976 to 2008



Source: Statistics Canada, CANSIM table 202-0105.

Interestingly, the average total income was lower in families in which the wife earned more than the husband. For example, the average total income for a family in which the wife earned more was $101,000; in dual-earner families in which the husband earned more it was $116,400 (Table 11).

Table 11
Average total family income in dual-earner families, by major income earner, select years, 1976 to 2008

Year	Wife earns more	Husband earns more
	constant 2008 dollars	
1976	74,900	88,400
1981	78,300	88,000
1986	76,200	90,000
1991	79,600	91,300
1996	81,300	93,100
2001	91,200	104,700
2006	99,500	108,100
2007	100,300	112,600
2008	101,000	116,400

Source: Statistics Canada, CANSIM table 202-0105.

Low income

There are several ways to measure low income. This chapter uses Statistics Canada's low income after-tax cut-offs (LICO-1992 base). For data related to the low income measure (LIM) see Table 20 at the end of the chapter.

Women with low income

The incidence of low income has decreased for both women and men over the last three decades. In 1976, almost 15% of women and 11% of men lived low-income situations. By 2008, 10% of women and 9% of men lived in low income (Table 12).

Table 12
Percentage of persons in low income after tax 1992 base, select years, 1976 to 2008

Year	Women				Men				Both sexes			
	Under 18	18 to 64	65 and over	Total	Under 18	18 to 64	65 and over	Total	Under 18	18 to 64	65 and over	Total
	percentage											
1976	13.8	12.3	34.1	14.8	13.0	8.7	22.7	11.1	13.4	10.5	29.0	13.0
1981	13.0	11.3	26.3	13.3	12.2	8.3	14.2	9.9	12.6	9.8	21.0	11.6
1986	13.8	12.2	17.6	13.2	14.0	10.1	8.1	10.9	13.9	11.2	13.5	12.1
1991	15.0	13.8	14.6	14.2	15.4	11.7	6.6	12.1	15.2	12.7	11.1	13.2
1996	18.3	16.0	13.2	16.2	18.5	13.9	5.1	14.2	18.4	15.0	9.7	15.2
2001	12.3	12.8	8.3	12.1	12.1	10.6	4.6	10.3	12.2	11.7	6.7	11.2
2006	11.4	11.5	7.0	10.9	11.4	10.9	3.4	10.2	11.4	11.2	5.4	10.5
2007	9.1	10.2	6.1	9.4	9.9	9.7	3.3	9.0	9.6	9.9	4.9	9.2
2008	8.8	10.7	7.6	9.9	9.3	9.8	3.6	9.0	9.1	10.2	5.8	9.4

Source: Statistics Canada, CANSIM table 202-0802.

The incidence of living in low income varies somewhat by age. About 9% of women and men younger than 18 were classified as low-income. In the 18-to-64 age group, 11% women and 10% of men were classified as living in low income.

Those in the 65-and-older age group saw the largest decline over the 1976-to-2008 period: the incidence of low income fell from 29% in 1976 to just under 6% in 2008. While both women and men in this age group saw declines in low-income rates, for women the decline was much more pronounced. For example, in 1976, 34% of women 65 and older were classified as low income. By 2008, this had decreased to just under 8%. For men aged 65 and older, over the same period, the incidence of low income declined from 23% to 4%.

Low income and family status

In 2008, about 7% of those living in non-elderly families were classified as low income, compared with just under 3% of elderly families (Table 13). This is a reversal from 1976, when 18% of elderly families had low-income status, compared with 10% of individuals in non-elderly families.

Table 13
Percentage of persons in low-income after tax, by economic family type, select years, 1976 to 2008

Family type	1976	1981	1986	1991	1996	2001	2006	2007	2008
	percentage								
Elderly families	17.7	9.6	4.9	3.1	3.0	2.9	2.9	1.8	2.6
Non-elderly families	9.7	8.8	9.8	10.8	13.0	8.6	7.9	6.5	6.7
Married couples	5.8	5.0	5.9	7.7	8.4	6.4	5.6	4.8	5.5
Couples with children	8.2	7.5	8.5	8.7	10.7	7.3	7.1	5.6	6.0
Other couples	3.2	2.6	3.0	2.8	4.6	4.4	2.2	1.4	1.8
Female lone-parent	53.7	44.2	48.7	49.8	52.9	34.2	28.9	24.0	20.9
Male lone-parent	17.9	12.2	16.3	18.7	24.5	11.4	6.9	9.2	7.0
Other non-elderly families	13.1	11.8	11.6	12.7	13.3	7.4	9.4	9.4	9.7

Source: Statistics Canada, CANSIM table 202-0804.

Among non-elderly couple families in 2008, 6% of those living in couple families with children or couples living alone had low income; those living in other couple families had the lowest incidence of low income, 2%.

Lone-parent families are generally more likely to have low income than are other non-elderly families. Moreover, low income has always been more prevalent in female-headed lone-parent families. For example, taken together in 2008, about 18% of individuals living in lone-parent families were classified as low income. However, when the family is headed by a female, the incidence of low income was 21%, compared with 7% for those living in male-headed lone-parent families.

Although lone-parent families have a higher incidence of low income than other family types, their incidence of low income after-tax has been declining. In 1976, 54% of those living in lone-parent families headed by women lived in a low-income situation. By 2008, the percentage of those in low-income families headed by a female had declined to 21%.

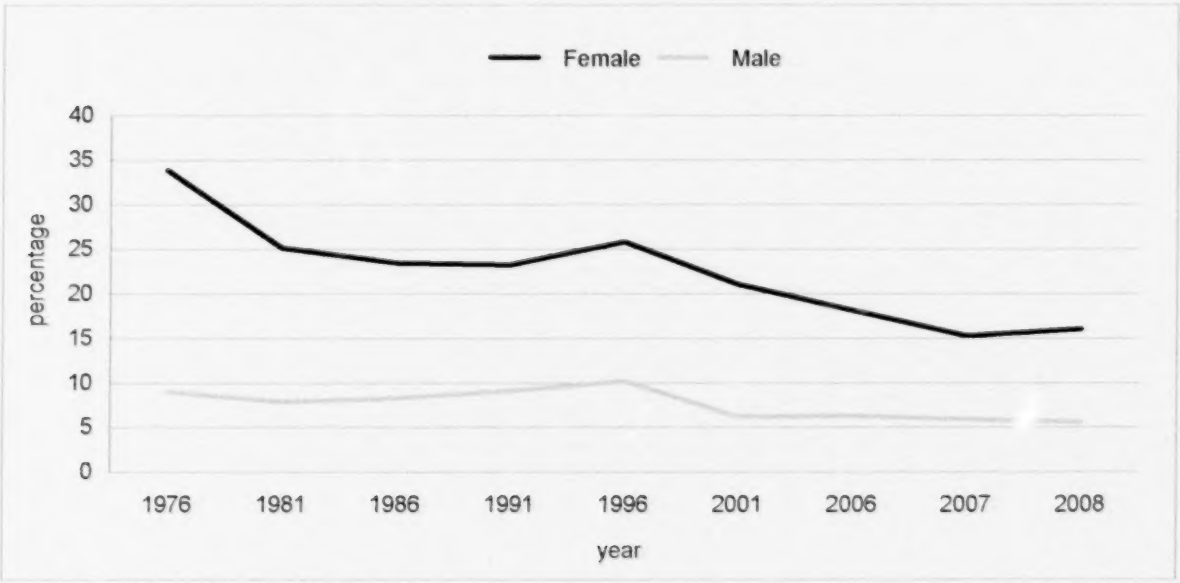
Children living in low income

About 606,000 children younger than 18 lived in low-income families in 2008, unchanged from 2007 but 29% fewer than in 2003. The proportion of children in low-income families was 9.0% in 2008, half the 1996 peak of 18%.

In 2008, 36% of all children (about 218,000) living in low-income families lived in a lone-parent family headed by a woman. Within female lone-parent families, 23% of children were living in low income in 2008, unchanged from 2007 but lower than the most recent peak of 56% in 1996.

The incidence of low–income after tax is also related to the sex of the major income earner. In families where the major income earner was female, the share of individuals living in low income in 2008 was 16% (Chart 4). When the major income earner was male, 6% of individuals were in a low-income situation. Although the percentage of individuals living in low income is always higher when the major income earner in a family is female, this share has been declining. In 1976, 34% of individuals in families where the woman was the major income earner lived in low-income; by 1986 this has decreased to 23%, and by 2008, it was 16%. For families in which men were the major income earner, the share of individuals living in low income declined—from 9% in 1976 to 8% in 1986 and 6% in 2008.

Chart 4
Percentage of persons living in low–income after tax, by sex of major income earner, select years, 1976 to 2008



Source: Statistics Canada, CANSIM table 202-0803.

Financial security

The assets, debts and net worth of individuals and families are keys to understanding economic well-being. For example, during periods of low or no income, a household with high assets may be in a position to liquidate them in order to meet their expenses. Among some groups, such as the elderly, economic well-being is not determined by income alone; net worth also plays a part. While those younger than 65 are trying to build up their stock of wealth (buying homes, building up Registered Retirement Savings Plans [RRSPs] or other investments), many of those 65 and over have already accumulated sufficient wealth to draw on in times of need.

Assets by family type

There are three types of assets; financial assets, tangible assets and business assets. Financial assets include savings, stocks, bonds, and RRSP investments. Tangible assets include things such as principal residence, other real estate, cars, collectables, and contents of a home.

In 2009, 98% of married couples without children at home had some kind of assets. The average total assets in 2009 were highest for this family type, at almost $659,000. Two-parent families with children had average assets of $567,000; and other family types, $561,000 (Table 14).

Table 14
Assets, debts and net worth, by family type, 2009

Family type[1]	Total assets		Total debts		Net worth	
	Average	Median	Average	Median	Average	Median
	dollars					
Couple families						
Married couples†	658,600	400,000	61,300	6,000	597,000	325,000
Two-parent families with children[2]	567,000	357,000 *	130,200 *	85,000 *	442,300 *	217,000 *
Other families	561,000	260,000 *	68,000	10,000 *	497,600	165,000 *
Lone-parent families						
Female lone-parent†	187,000	60,000	67,800	14,000	119,100	17,000
Male lone-parent	281,800 *	200,000 *	128,800 *	55,000 *	134,600 *	80,000 *
Unattached individuals						
Under 65						
Women†	265,100	100,000	35,000	3,500	226,000	55,000
Men	387,200	125,000 *	50,600 *	6,000 *	335,000	70,000 *
65 years of age and older						
Women†	249,000	75,500	4,900	0	246,000	75,000
Men	415,900 *	219,000 *	9,700 *	0	412,600 *	215,000 *

1. Includes senior families.
2. Includes single children under 25 living in the home.
* indicates significant difference from the reference group
† reference group
Source: Statistics Canada, Canadian Financial Capability Survey.

Comparing assets across family types, lone-parent families had the lowest average total assets. However, female lone-parent families had lower average total assets ($187,000) than lone-parent families headed by men ($282,000).

Median assets[6] *were lower than average* assets for every family type, and differences between average and median values were pronounced. For example, while 'other' families had average total assets of more than $560,000, the median value of assets for this family type was $260,000, the lowest among all couple family types.

The same held true for female lone-parent families: average total assets were $187,000 in 2009 compared with a median value of $60,000, indicating that a large proportion of women in these family types had much lower assets. Conversely, while the median value of total assets ($200,000) were lower than the average value of assets ($282,000) for lone-parent families headed by men, the difference was less pronounced.

Debts

Monies owed on a mortgage, loan, line of credit, credit card, or student loans are the principal types of debt. In 2009, average total debts were highest for two-parent families with children, at just over $130,000. Married couples had an average debt of about $61,000 (Table 14).

Among lone-parent families, average debt levels were higher for men, at almost $129,000; female lone-parent families had an average total debt of about $68,000. As was the case for assets, median debt levels were substantially different across family types, ranging from $6,000 for married couples, to $85,000 for two-parent families with children.

Net worth

The net worth for a family is the value of their assets minus their debts. Average net worth in 2009 was highest for married couples without children in the home, $597,000. The net worth of two-parent families with children was lower, approximately $442,000 (Table 14).

Just as there were differences in assets and debts for female-headed and male-headed lone-parent families, there were also differences between the net worth of these types of families. Lone-parent mothers had an average net worth of $119,000; lone-parent fathers' net worth was about $135,000.

Examining median net worth, the difference is even more pronounced. The median net worth for lone-parent-mother families was $17,000; for lone-parent-father families, it was $80,000.

6. Both average and median measures can be used to describe net worth, but each provides a different picture. Median is determined by ranking all family units from highest to lowest net worth. The value of the asset (or debt or net worth) of the family unit in the middle of the range is the median. Average (or mean) net worth is determined by dividing the total net worth of all family units by the number of family units. The more the average exceeds the median, the more the wealthiest family units in the country contribute to the increase in the average.

Retirement savings

Retirement planning and savings is another important indicator of future economic well-being. Although Canada has the Canada/Quebec Pension Plans, the government-supported retirement income system depends on other voluntary retirement savings opportunities, including private savings and employer pensions. Understanding the contributions and pension coverage of women and men helps provide information related to the future economic well-being of Canadians.

Contributions to pension plans

The Canada/Quebec Pension Plans are mandatory public pension plans that provide a basic level of earnings replacement for all Canadian workers. Both also provide ancillary benefits, such as disability benefits and survivor benefits.

In 2007, 16.3 million workers contributed approximately $34 billion to the Canada/Quebec Pension Plans. Just over 47% of contributors were women, who had average annual contributions of $2,453.25. Men's annual contributions averaged $2,992.17.[7,8]

The most commonly offered retirement plans by employers in Canada are registered pension plans (RPPs). There were more than 19,000 private and public pension plans in Canada in 2009—61% of these plans were defined benefit plans[9]—up from 49% in 2005 (Table 15). Women accounted for 76% of the growth in RPP membership from 2005 to 2009. In 2009, they made up 49.1% of total membership, a slight increase over 2008.

In 2009, women made up about one-half of the 4.5 million members of defined benefit pension plans (Table 15).

7. Average contribution calculations are for Canada Pension Plan only.
8. Data for Canada/Quebec Pension Plans are from: Human Resources and Skills Development Canada. 2009. *The* Canada Pension Plan and Old Age Security Sta*ts Book 2009* at http://www.servicecanada.gc.ca/eng/isp/statistics/statbook.shtml, accessed October 19, 2010.
9. A defined benefit plan sets the benefits to be paid according to a formula stipulated in the plan usually based upon salary and years of service.

Table 15
Registered pension plans and members, by type of plan and sex, select years, 1980 to 2009

Type of registered pension plans	1980	1990	1995	2000	2005	2006	2007	2008	2009
	number								
All RPPs[1]	**14,586**	**19,956**	**15,845**	**15,557**	**15,336**	**15,130**	**18,594**	**19,185**	**19,179**
All members	4,475,429	5,109,363	5,169,644	5,267,894	5,670,684	5,690,580	5,768,280	5,908,633	6,009,721
Women	1,377,733	1,961,138	2,239,676	2,362,973	2,694,653	2,712,822	2,795,041	2,868,645	2,952,422
Men	3,097,696	3,128,225	2,929,968	2,904,921	2,976,031	2,977,758	2,973,239	3,039,988	3,057,299
Defined benefit plans	8,035	8,284	6,990	7,108	7,561	7,611	11,056	11,539	11,709
All members	4,194,283	4,633,587	4,582,154	4,456,034	4,605,601	4,600,581	4,590,805	4,538,192	4,505,211
Women	1,313,097	1,816,518	2,012,887	2,049,373	2,258,196	2,263,430	2,307,875	2,286,397	2,312,808
Men	2,881,186	2,817,069	2,569,267	2,406,661	2,347,405	2,337,151	2,282,930	2,251,795	2,192,403
Defined contribution plans	6,170	11,443	8,609	8,152	7,485	7,196	7,160	7,165	6,882
All members	231,275	430,561	518,669	716,646	885,840	893,403	899,540	935,236	939,157
Women	52,721	151,448	202,473	279,553	361,738	367,405	365,326	381,875	384,695
Men	178,554	279,113	316,196	437,093	524,102	525,998	534,214	553,361	554,462
Hybrid plans[2]	...	...	11	20	32	16	15	14	21
All members	...	...	4,512	6,043	15,461	11,351	11,337	16,881	28,142
Women	...	...	2,201	2,647	5,523	5,153	5,143	8,218	14,516
Men	...	...	2,311	3,396	9,938	6,198	6,194	8,663	13,626
Composite or combination plans[3]	248	174	192	221	161	150	144	140	136
All members	32,905	39,127	46,226	58,699	96,781	92,265	140,862	151,150	104,027
Women	6,591	11,143	15,876	21,974	44,655	39,878	64,876	69,135	41,009
Men	26,314	27,984	30,350	36,725	52,126	52,387	75,986	82,015	63,018
Defined benefit and contribution plans[4]	...	...	...	...	38	90	145	249	390
All members	...	...	...	...	17,583	40,057	79,760	201,895	395,053
Women	...	...	...	...	4,955	16,939	32,865	95,099	181,504
Men	...	...	...	...	12,628	23,118	46,895	106,796	213,549
Other types of plans	133	55	43	56	59	67	74	78	41
All members	16,966	6,088	18,083	30,472	49,418	52,923	45,976	65,279	38,131
Women	5,324	2,029	6,239	9,426	19,586	20,017	18,956	27,921	17,890
Men	11,642	4,059	11,844	21,046	29,832	32,906	27,020	37,358	20,241

1. Registered pension plans are plans established by either employers or unions to provide retirement income to employees.
2. Hybrid plans are plans where the pension benefit is the better of that provided by defined benefit or defined contribution provisions.
3. In composite or combination plans, the pension has both defined benefit and defined contribution characteristics.
4. These plans may be for different classes of employees or one benefit type may be for current employees and the other for new employees.

Note: The reference date for the number of registered pension plans and their terms and conditions is January 1.
Source: Statistics Canada, CANSIM table 280-0016.

There were about 6,900 defined contribution plans in Canada in 2009, down from about 7,500 in 2005. Fifty-nine percent of defined contribution plan members were men.

Roughly one-third of the labour force is covered by a registered pension plan (RPP). From 1992 to 2008, RPP coverage dropped for both women and men (Table 16). Men, however, experienced a sharper decline than women such that, beginning in 2007, women in the labour force were slightly more likely than men to be covered by an RPP.

Table 16
Proportion of labour force and paid workers covered by a registered pension plan, by sex, select years, 1992 to 2008

Covered by a registered pension plan	1992	1997	2002	2007	2008
	number				
RPP[1] members					
Both sexes	5,244,703	5,088,455	5,522,563	5,908,633	6,009,721
Women	2,219,933	2,246,847	2,562,038	2,868,645	2,952,422
Men	3,024,770	2,841,608	2,960,525	3,039,988	3,057,299
Labour force			percentage		
Both sexes	36.2	33.5	33.1	32.6	32.6
Women	34.4	32.7	33.3	33.7	34.1
Men	37.6	34.1	32.9	31.7	31.3
Paid workers					
Both sexes	45.3	41.6	39.7	38.3	38.2
Women	41.8	40.1	39.2	38.8	39.3
Men	48.3	42.9	40.2	37.7	37.3

1. Registered pension plans are plans established by either employers or unions to provide retirement income to employees.

Notes: The data used from Labour Force Survey (labour force and paid workers) are annual averages to which the number of Canadian Forces members was added. Paid workers refer to employees in the public and private sector and include self-employed workers in incorporated business (with and without paid help).

Sources: Statistics Canada, *Pension Plans in Canada* and Labour Force Survey.

Among paid workers, RPP coverage declined from about 45% in 1992 to 38% in 2008. Coverage for men who were paid workers declined by about 11 percentage points over the 1992 to 2008 period; women's coverage declined 3 percentage points.

Contributions to registered retirement savings plans

Registered retirement savings plans (RRSP) offer individuals a private tax-assisted retirement savings option. Approximately 6.2 million Canadians contributed more than $33 billion to RRSPs in 2008, down slightly from 2000 (Table 17).

Table 17
Registered retirement savings plan contributions, by sex, 2000 to 2008

Types of saving plans	2000	2001	2002	2003	2004	2005	2006	2007	2008
	number								
Total RRSP[1] contributors	6,291,170	6,241,050	5,991,440	5,948,340	6,002,350	6,135,980	6,196,050	6,292,480	6,178,900
	percentage								
Women	45	45	46	46	46	46	46	46	47
Men	55	55	54	54	54	54	54	54	53
	dollars								
Total RRSP contributions	29,280,163	28,438,914	27,072,812	27,561,305	28,788,102	30,581,252	32,350,792	34,057,715	33,314,040
	percentage								
Share of total contributions									
Women	39	38	39	38	38	38	38	39	39
Men	61	62	61	62	62	62	62	61	61
	dollars								
Median contribution	2,700	2,600	2,500	2,600	2,600	2,630	2,730	2,780	2,700
Women	2,200	2,200	2,100	2,100	2,200	2,180	2,250	2,300	2,240
Men	3,000	3,000	3,000	3,000	3,000	3,070	3,200	3,260	3,220

1. Registered Retirement Savings Plan.
Source: Statistics Canada, CANSIM table 111-0039.

Women comprised 47% of RRSP contributors in 2008, up slightly from 45% in 2000.

The median RRSP contribution was $2,700 in both 2000 and 2008. However, the median contribution for men was higher than that of women over the 2000 to 2008 period. For example, in 2008, the median RRSP contribution for men was $3,220, compared with $2,240 for women.

Although women made up almost one-half of RRSP contributors, their share of total contributions was lower. In both 2000 and 2008, women's RRSP contributions made up 39% of total contributions; men's accounted for 61%.

Home ownership and shelter affordability

Home ownership and housing affordability are also important determinants of economic well-being. While home ownership and shelter affordability are largely related to family status, examining the home ownership and housing affordability dimensions of economic well-being for women is nevertheless important.

Home ownership

Of the 12.4 million households in Canada, about 68%, or 8.5 million households, owned their dwelling in 2006, the highest rate of home ownership since 1971. The increase during the past five years continues the long-term trend in rising home ownership rates that began in 1991, after a period of low growth during the 1980s.

Home ownership is related, in large part, to a person's age, income and household type. For example, the home ownership rate for one-person households was 48%, compared with 68% among the general population (Table 18). Women who lived alone continued to have a higher home-ownership rate than their male counterparts: 49% of women living alone owned their home, compared with 47% of men living alone. Women homeowners living alone are likely to be older. Approximately one-half were aged 65 or older.

Table 18
Homeownership rates for select household types, 2001 and 2006

Household type	2001	2006	Difference
	percentage		percentage points
All households	65.8	68.4	2.6
Lone-parent households	50.5	54.9	4.4
Lone-mother households	47.8	52.5	4.7
Lone-father households	62.5	64.9	2.4
One-person households	43.9	47.8	3.9
Women living alone	45.1	48.7	3.6
Men living alone	42.4	46.7	4.3

Sources: Statistics Canada, censuses of population, 2001 and 2006.

In 2006, for the first time, more than one-half of lone-parent households headed by women owned their home. In 2001, about 48% of lone-mother households owned their home; by 2006, this had risen to almost 53%.

Nearly 6 of every 10 households that owned their home had a mortgage. Of the 8.4 million households that owned their home, 4.9 million, or 58%, had a mortgage, up from 55% since 2001 and the highest share since 1981. Correspondingly, the proportion without a mortgage fell from 45% to 42%.

Shelter affordability among homeowners

Shelter is the largest expenditure for most households, and its affordability can affect well-being. Measuring affordability involves comparing housing costs to a household's ability to meet them. One common measure of housing affordability is calculated using the the shelter cost-to-income ratio (STIR). According to this measure, households reach an upper limit of housing affordability when they spend 30% or more of their income on shelter costs.

In 2006, an estimated 3 million households, or 25% of all households, spent 30% or more of their income on shelter. Among homeowners, 18% of all households spent 30% or more of their income on shelter—up from 16% in 2001 (Table 19).

Among those living alone who owned their accommodation, 31% spent 30% or more of their income on shelter in 2006, up from 29% in 2001. Women living alone were slightly more likely to spend 30% or more of their income on shelter than were men living alone—32% of women and 30% of men.

About 30% of lone mothers who owned their accommodation spent 30% or more of their income on shelter, up from 27% in 2001. This compares with 21% of lone fathers.

Shelter affordability among renters

Shelter affordability is an issue not only for homeowners: anyone spending 30% or more of their income on housing (shelter) costs may face economic uncertainty or hardship. Households that rented comprised 51% of households that spent 30% or more of their income on shelter.

Table 19
Percentage of lone-parent owner and renter households spending 30% or more of their income on shelter, 2001 and 2006

Household type	Owner households		Renter households	
	2001	2006	2001	2006
	percentage			
All households	16.0	17.8	39.6	40.3
Lone-parent households	25.8	27.5	47.8	43.0
Lone-mother households	27.4	29.5	50.4	45.3
Lone-father households	20.0	20.6	31.9	30.2
One-person households	28.9	31.0	50.1	51.6
Women living alone	29.6	31.6	55.6	56.6
Men living alone	27.9	30.1	43.4	45.6

Sources: Statistics Canada, censuses of population 2001 and 2006.

In 2006, 1.5 million renters, or 40% of all renters, spent 30% or more of their household income on shelter, about the same as in 2001 (Table 19).

In 2006, about 45% of lone-mother households that rented their accommodation spent at least 30% of their income on shelter, down from 50% in 2001. Among lone-father households that rented, that proportion declined from 32% in 2001 to 30% in 2006.

Women living alone who rented were the most likely to spend 30% or more of their income on shelter: 57% did so in 2006, up from 56% in 2001. However, male renters who lived alone and spent 30% or more of their income on shelter had the largest percentage point increase between censuses—from 43% in 2001 to 46% in 2006.

Table 20
Low income measure after tax, by sex and age, select years, 1976 to 2008

Year	Women				Men				Both sexes			
	Under 18	18 to 64	65 and older	Total	Under 18	18 to 64	65 and older	Total	Under 18	18 to 64	65 and older	Total
	percentage											
1976	14.7	11.6	34.3	14.6	13.9	8.4	26.0	11.5	14.3	10.0	30.6	13.0
1981	14.8	11.2	23.8	13.4	14.2	8.2	16.0	10.6	14.5	9.7	20.4	12.0
1986	15.1	11.6	13.2	12.6	15.0	9.1	8.3	10.6	15.1	10.4	11.1	11.6
1991	15.6	12.1	6.3	12.2	15.4	9.8	4.2	10.7	15.5	11.0	5.4	11.5
1996	17.3	13.6	5.8	13.5	17.4	11.1	2.9	11.9	17.4	12.4	4.6	12.7
2001	15.7	13.5	9.8	13.5	15.1	11.0	5.6	11.4	15.4	12.3	8.0	12.5
2006	15.3	13.5	11.7	13.6	15.0	11.4	6.7	11.7	15.1	12.4	9.4	12.6
2007	14.6	13.0	12.8	13.3	15.4	11.1	7.5	11.6	15.0	12.0	10.4	12.5
2008	15.0	13.9	15.7	14.4	15.7	11.9	8.2	12.2	15.3	12.9	12.3	13.3

Source: Statistics Canada, CANSIM table 202-0802.

The gender pay gap revisited

When comparing earnings of women and men, the data show that men earn more than women. For example, the ratio of female–to–male annual earnings for full-year full-time workers has been relatively steady at around 0.72 since 1992. However, examining the female–to–male earnings ratio as a means to examine the existence and size of a gender pay gap may not be appropriate—particularly because among men and women working full-time, weekly work hours differ: according to the Labour Force Survey, men employed full-time usually worked 3.7 hours longer than full-time women in 2007.

Gender differences in pay may be more appropriately measured using hourly wages. Comparing the average hourly wages of women and men, the ratio was 83.3% in 2008 – up from 75.7% in 1988 (Table box 1).[10]

Examining the wage ratio by age across time illustrates differences between the age groups. In general, for each age group, there has been increase in the wage ratios between 1988 and 2008. For example, the female–to–male wage ratio for workers aged 25 to 29 was 0.846 in 1998 but had increased to 0.901 by 2008. Similarly, the wage ratio for those aged 50 to 54 increased 16.2 percentage points from 0.645 in 1988 to 0.807 in 2008.

The hourly wage gap is larger (the female–to–male ratio is smaller) for older workers compared to younger workers. This difference may be a result of generational differences between women. For example, younger women are more likely to have high levels of education, work full-time and be employed in different types of jobs than their older female counterparts.

Table box 1
Female–to–male average hourly wage ratio, select years, 1988 to 2008

Year	Total	Age group					
		25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54
	female–to–male hourly wage ratio, $2007						
1988	0.757	0.846	0.794	0.768	0.736	0.681	0.645
1993	0.794	0.905	0.886	0.772	0.762	0.700	0.709
1998	0.811	0.901	0.851	0.805	0.808	0.750	0.749
2003	0.825	0.920	0.868	0.843	0.804	0.768	0.771
2008	0.833	0.901	0.858	0.837	0.825	0.784	0.807
Change							
1988 to 2008	0.076	0.056	0.064	0.068	0.089	0.103	0.162

Sources: Statistics Canada, Labour Market Activity Survey 1988, Survey of Labour and Income Dynamics 1993, and Labour Force Survey, 2003 and 2008.

10. For a full discussion of the differences in the gender wage gap and the gender earnings gap see: Baker, M. and Drolet, M. "A new view of the male/female pay gap", Canadian Labour Market and Skills Research Network. Working paper No. 50. December 2009.

Factors contributing to the decline in the gender wage gap

Because the gender wage gap differs by age, it is not surprising that the explanations for differences in wages also differ for each age group. While much of the change in the wage ratio is a result of changes in the work and personal characteristics of women, it is important to note that in some instances it is changes in the work status of men that are behind the change in the ratio. For instance, while the oldest age group of the study population saw the biggest improvement in the wage ratio between 1988 and 2008 (an increase of 16.2 percentage points), much of this increase was driven by the fact that men in 2008 were much less likely to be in management occupations than in 1988. This accounted for about 28% of increase in the wage ratio for this age group (Table box 2). Additionally, 15% of the increase in the ratio was attributable to changes in job tenure for women, since women in 2008 were more likely to have long job tenure than women in 1988.

In the case of the 25 to 29 year old age group, 66% of the change in the wage ratio between 1988 and 2009 can be explained by the changes in characteristics of workers. About 28% of the change in the ratio was a result of improvements in the level of education of women; 27% was a result of changes in union status (mainly because the unionization rate for men fell); and 19% was attributable to changes in the occupational composition of young women—as young women moved out of sales, service and clerical occupations into higher paid occupations in the health and education fields. Another 13% of the difference was a result of longer job tenure and a shift away from part-time work for women. About one-third of the change for this age group could not be explained by differences in the characteristics studied.

In general, women continue to have average hourly wages that are lower than men's. Nevertheless, the gap between the wages of women and men has declined. The reasons underlying the changing gap are complex. However, because the characteristics of women and men entering the labour market in 2008 are more likely to be similar today than in the past, part of the increase in the wage ratio (narrowing of the wage gap) is a result of older cohorts of men and women with very different personal and labour market characteristics leaving the labour market and being replaced by a younger cohort of women and men whose personal and labour market characteristics are more similar.

The data are drawn from the Labour Market Activity Survey (LMAS), the Survey of Labour and Income Dynamics (SLID) and the Labour Force Survey (LFS). The unit of measurement is hourly wages expressed in 2007 dollars

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Adapted from: Drolet, Marie. (Forthcoming). "Why has the gender wage gap narrowed?" *Perspectives on Labour and Income*. Statistics Canada Catalogue no. 75-001-X.

Table box 2
Decomposition of the change in the average hourly female–to–male wage ratio between 1988 and 2008, by age group

Type of changes	Age group					
	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54
	percentage point					
Change in the female–to–male wage ratio between 1988 and 2008	5.6	6.4	6.8	8.9	10.3	16.2
	percentage					
Total change explained	**66.0**	**52.7**	**40.2**	**57.1**	**47.1**	**65.4**
Change attributable to changes in...						
Age	2.3	0.9	0.7	-0.1	-0.4	-0.9
Education	28.4	27.8	8.5	-7.0	-0.8	3.6
Province	-11.2	-7.2	-7.0	-3.3	-4.9	1.1
Tenure	5.3	6.5	21.6	26.5	13.9	14.6
Marital status	0.8	4.2	2.5	6.0	3.0	1.8
Union	26.8	9.3	3.1	5.0	4.8	6.6
Part-time	8.7	11.1	5.5	4.0	1.6	6.8
Industry	-12.0	-4.3	-5.8	11.1	1.6	4.0
Occupation	18.7	4.3	11.0	15.7	28.2	27.7
Unexplained	34.0	47.3	59.8	42.8	52.9	34.6

Sources: Statistics Canada, Labour Market Activity Survey 1988 and Labour Force Survey, 2008.